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ABSTRACT

The nation's private black colleges face financial concerns similar to those that occupy the attention of administrators and trustees of the private white colleges. Although these are mutual concerns, the significant and unique role served by the black colleges historically and the needs of these institutions today merit special concern. This document presents an analysis of comparisons of the 14 private black colleges and a matched sample of predominantly white private colleges. Implications drawn from the findings support observations and results of other attempts to define the financial requirements important to the continued development of resources and capabilities at the predominantly black institution. Among the findings of the study were: (1) The black colleges fell slightly short of the 5% minimum level for library support that is generally considered acceptable. (2) Regarding faculty salaries, the data revealed that professors at the white colleges received 9.8% greater compensation than did professors at the black colleges. (3) Staffing needs in student services have received particular attention at the black colleges, especially in the areas of admissions, student orientation, counseling assistance, and placement. (4) The average black college allocated $225 more per student for financial aid than did the average white college in 1968-69. (HS)

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HIGHER EDUCATION FINANCE

A COMPARATIVE STUDY OF MATCHED SAMPLES OF BLACK AND WHITE PRIVATE INSTITUTIONS

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Southern Regional Education Board

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1972

FOREWORD

The nation's private black colleges face financial concerns similar to those which occupy the attention of administrators and trustees of the private white colleges. Although these are mutual concerns, the significant and unique role served by the black colleges historically and the needs of these institutions today merit special consideration.

The analysis by William W. Jellema provides useful insights regarding this financial situation. Appreciation is expressed to Dr. Jellema and to the Association of American Colleges for providing the results of this research to the Southern Regional Education Board for publication. It is hoped that this information will be useful to others concerned with the financial outlook of the private colleges, and of the traditionally black private colleges in particular.

Winfred L. Godwin, President
Southern Regional Education Board

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PREFACE

This analysis by William W. Jellema is based on data developed in a larger national study.* The analysis is presented on the basis of comparisons between 14 of the private black colleges and a matched sample of predominantly white private colleges which had participated in that earlier study.

Implications drawn from the findings support observations and results of other attempts to define the financial requirements important to the continued development of resources and capabilities at the predominantly black institution. In 1969, for example, an SREB report had set forth carefully considered judgments regarding these needs.** The Jellema study reinforces the judgments previously expressed and serves as a reminder of the continuing efforts which must be made to provide black institutions with the expanded support necessary for the tasks undertaken.

Among the findings, several provide details on library support, faculty salaries, staffing, student financial aid, and curriculum plans – areas of particular importance within the black institution. It is appropriate to cite these specifically:

- The minimum level for library support generally considered acceptable is five per cent of educational and general expenditures. The black colleges in this study fell slightly short of reaching that goal. General improvement, however, in support of library needs has been noted elsewhere. A new thrust of particular significance, for example, has been the establishment of the Cooperative College Library Center through which a sizable number of black private colleges have arranged for book purchase and shelf-ready processing which provides greater value per book dollar expended.
- Although the variances in faculty salaries between these white and black colleges were not as great as existed between such institutions some years ago, differences remained evident in 1969-70. The data revealed that professors at the white colleges received 9.8 per cent

*William W. Jellema, *"The Red and the Black," Special Preliminary Report on the Financial Status, Present and Projected, of Private Institutions of Higher Learning* (Washington, D. C.: Association of American Colleges).

**Southern Regional Education Board, *Special Financial Needs of Traditionally Negro Colleges: A Task Force Report*

greater compensation than did professors at the black colleges; associate professors received 7.2 per cent more; and assistant professors, 8.8 per cent more.

- Staffing needs in student services have received particular attention at the black colleges – especially in the areas of admissions, student orientation, counseling assistance, and placement. It was somewhat alarming to note that several of the black institutions in this study reported that orientation and counseling programs had been eliminated because of financial restrictions.

- The data also revealed the extent to which greater amounts of student financial aid must be applied within the black institutions. The average black college allocated $225 more per student for financial aid than did the average white college in 1968-69 and projected the allocation of $391 more per student for the following year. It was also significant to note that larger amounts were actually expended for student aid than had been categorically received and that even greater amounts were needed.

- Financial considerations were also evident in curriculum planning. Many of the institutions expressed concern over possible deterioration of certain programs and/or the inability to improve programs in need of upgrading. This is especially critical as black colleges attempt to alter traditional curricula in light of new and expanding occupational opportunities for their graduates.

- The study also identified the considerable priority allocated by both black and white colleges to Federal support in the form of facilities and institutional grants. Facilities loans were also ranked high in preference by the black colleges with the white colleges ranking loans to students as another high priority.

As the author points out, the black and white colleges shared similarities in such areas as expenditures per student for instruction and departmental research, the operation and maintenance of facilities, and average net surplus/deficit per student in current funds. Generally, each group of institutions operated in somewhat stringent circumstance with the observation that the average black institution was in need of additional support in view of its particular commitment to the task of serving many students with different degrees of academic readiness.

The contributions made by the black colleges in providing educational opportunities for Black Americans have been significant. The issue of increased financial support to assist these institutions in meeting the present and future educational needs of students is deserving of continued and increased attention.

INTRODUCTION

The analysis which follows is based upon data derived from a study* conducted by the Association of American Colleges on the fiscal status, present and projected, of private institutions of higher learning. Fourteen black colleges that responded with sufficiently complete data to be included in that larger study form the nucleus for this one. They were paired with fourteen white institutions. They were matched by enrollment size, by degree level, by church relationship, and wherever possible, by state. All of the institutions, as might be expected, are located in the southern tier of states, and none is in a border state.

One black and one white institution enrolled 500 students or less. Four black and four white institutions enrolled between 501 - 1000. Eight black and eight white institutions enrolled between 1001 - 2000. One black institution and one white institution enrolled between 2001 - 4000. Eleven in each group were institutions whose highest degree was the four or five year baccalaureate and the three remaining institutions in each group offered the masters degree but in no more than three areas.

The denominational match was not precise, in part, because some black colleges were related to church groups that did not also maintain a supportive relationship with a predominantly white college. However, it was possible to find a white institution whose relationship to some sponsoring religious denomination closely approximated the relationship enjoyed by the black member of the pair.

In short, the matching was done on the basis of demographic data and not on the basis of subjective selections of specific colleges. The only departures were those two or three instances in which it was necessary to choose among alternates to select the most approximate religious affiliation.

*William W. Jellema, *"The Red and the Black," Special Preliminary Report on the Financial Status, Present and Projected, of Private Institutions of Higher Learning* (Washington, D. C.: Association of American Colleges).

CURRENT FUND ANALYSIS

Educational and General Income

Turning first of all to the educational and general account in the current fund, we discovered some interesting comparisons. Educational and general income ranges were from a low of $840,000 to a high of $6,515,000 for black institutions and from a low of $610,000 to a high of $3,993,000 for white institutions. These figures represented the fiscal year 1968-69 wherein the median was statistically higher in white institutions ($1,577,000) than in black institutions ($1,501,000). The average, on the other hand, was lower for white institutions than for black institutions.

In comparing 1968-69 data with available data for 1967-68, the educational and general income of black institutions increased substantially, and that of white institutions increased even more. Projecting these data to 1969-70 and 1970-71, the increases for both sets of institutions were considerably more modest than their previous performances appeared to warrant. Black institutions, however, projected somewhat larger increases than did white institutions (Table 1).

The sources of educational and general income for 1968-69 were also interesting. The dollar amount derived from tuition and fees was almost identical for both groups of institutions. However, this was an illusion created by applying quite different percentages to two different dollar amounts. Black institutions as a group derived 48.7 per cent of their income from tuitions and fees. White institutions derived 68.3 per cent. Baccalaureate institutions in the nation derived 71.9 per cent of their income from tuition and fees.

White institutions, which were somewhat more generously endowed, derived 8.2 per cent of their educational and general income from endowment sources in 1968-69. Black institutions derived 6.1 per cent of their income from this source, which is close to the 5.8 per cent figure for baccalaureate institutions generally.

Black institutions derived much larger amounts and percentages from gifts and grants than did white institutions. In 1968-69, 15.1 per cent of the black colleges' educational and general income was derived from unrestricted gifts and grants, and an additional 18.1 per cent of that income was derived from restricted gifts and grants. White institutions derived 12.6 per cent of their educational and general income from unrestricted gifts and grants and only 4.7 per cent from restricted gifts and grants. Comparable figures for baccalaureate institutions generally were 9.8 per cent and 3.6 per cent.

Black institutions derived 6.4 per cent of educational and general income from the category "all other sources;" white institutions derived 3.4 per cent, and baccalaureate institutions generally derived 4.7 per cent from this set of sources for 1968-69. One black and one white institution were responsible for the category "contributed services."

These percentage comparisons are set forth in Figure 1.

The Components of Educational and General Income

A more intensive look at the sources of educational and general income brought into focus tuition and fees. Surprising to note that although educational and general income increased in 1968-69 over 1967-68 in black institutions, the percentage derived from tuition and fee revenue declined three per cent. It was projected to rise slightly in the next two years but even in 1970-71 was not projected to return

to the level of 1967-68. White institutions, on the other hand, saw a very slight rise in 1968-69 over the previous year where tuition and fee income increased from 67.7 per cent of the total educational and general income in 1967-68 to 68.3 per cent in 1968-69. The percentage was projected to maintain its former status in 1967-70 at 68.2 per cent with a subsequent slight rise to 70 per cent in 1970-71 (Table 2).

Giving further attention to the 1968-69 data for an institution by institution analysis, we discovered that the median percentage of educational and general revenue derived from tuition and fee income was somewhat higher than the average. The range from the lowest to the highest percentages was greater in black institutions than in white institutions, and the lowest percentage for any white institution was only slightly less than the median for black institutions. Black institutions ranged from 31.6 per cent to 67.7 per cent, while white institutions ranged from 47.9 per cent to 81.6 per cent. The spread was, therefore, from 36.1 per cent among black institutions to 33.7 per cent among white institutions (Table 3). If, however, the institutions with the lowest and highest percentages had been removed from the group, the range from highest to lowest among black institutions would have been 27.1 and, among white institutions, 28.5.

The portion of educational and general income derived from endowment funds varied a great deal within each of the two groups. Taken as an average, the group of black institutions did not appear substantially different from the white institutions. In 1967-68, the average revenue received from endowment funds was seven per cent in black institutions compared with eight per cent in white institutions. The following year, 1968-69, that disparity widened some-

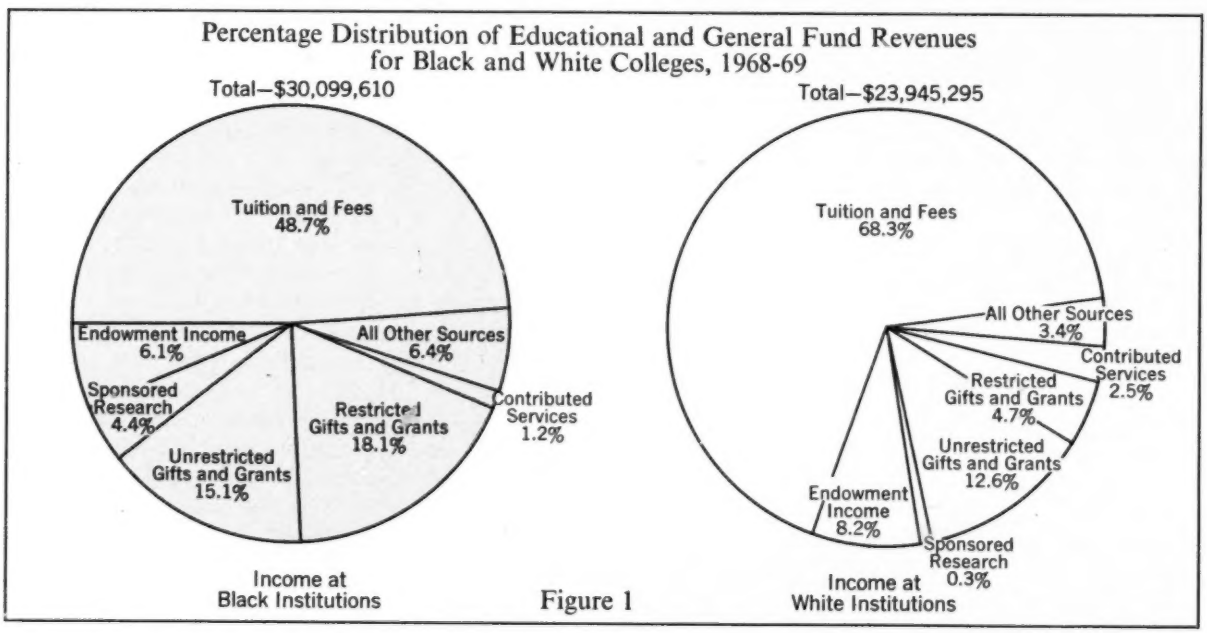

Figure 1

what. The respective percentages in that year were 6.1 and 8.2. The medians, however, were quite different from the averages. The median percentage for black institutions was 2.2 and for white institutions, 8.5. The smallest percentage of educational and general income derived from endowment for any black institution was 0.9. The smallest percentage for any white institution was 2.5. The largest percentage for any black institution was 20.0, and for any white institution it was 29.0 (Tables 4 - 5).

Both restricted and unrestricted gifts played a larger role in educational and general income in black institutions than they did in white institutions. The distinction between restricted gifts and grants and unrestricted gifts and grants was not always carefully maintained in individual institutions and the precise dollar divisions – as distinct from the total dollar – probably ought not to be taken too seriously in these data. They were reported separately by institutions and were therefore reported separately here. Their effect on the life of the institution might have been quite different of course. Restricted funds that did not replace institutional funds for projects the college would normally undertake were less helpful than unrestricted gifts. The percentage of the total educational and general income in 1967-68 from unrestricted gifts and grants for black colleges was 15.0 as compared with 11.8 per cent in white colleges. The following year, 1968-69, the percentage in black colleges increased to 15.7 and the percentage for white colleges rose to 12.6. Baccalaureate institutions, on the other hand, received a much smaller percentage. Corresponding percentages, as a projection, for additional years of data (1969-70/1970-71) exhibited an even greater increase. In 1969-70 black colleges would have derived 16.6 per cent wherein white colleges would have received 12.7 per cent. Black institutions, as projected for 1970-71, however, would have received 16.4 per cent and white institutions would have derived 14.0 per cent. Percentage of income for baccalaureate institutions, nevertheless, made only a slight increase (Table 6).

The data also indicated that the black institution which received the smallest percentage of its educational and general income from unrestricted gifts and grants had a smaller percentage than the lowest white institution reporting – except that one white institution reported no income from unrestricted gifts and grants. The black institution receiving the largest percentage of its income from this source was very nearly matched by the white institution which received the largest percentage of its income from this source (Table 7).

Three black institutions reported no income in 1968-69 from restricted grants and gifts. However, the percentage derived from this source for all black institutions combined was 18.1. Three white institutions also reported no income from this source, but the average for all white institutions combined was 4.7 per cent. Black institutions increased the percentage of educational and general income derived from restricted gifts and grants by nearly four percentage points in 1968-69 over 1967-68. The percentage fell for white institutions by slightly more than one per cent. Although this experience made black institutions optimistic about the future potential of this source of income, white institutions seemed to anticipate that the best they could hope for was holding the line. The contrast between black and white institutions on this income item was even greater when one looked at medians. If, however, the three institutions in each group which reported no income from this source had been deleted from the table, then the median black institution would have received 22.2 per cent of its income from this source as against the median white

institution which would have received 2.3 per cent of its educational and general income from this source (Tables 8 - 9).

The income from "all other sources" was slightly higher in black than in white institutions. There were, however, two institutions that made no report of income from these sources and one that appeared to keep its educational and general account peculiar to the usual accounting forms (Tables 10 - 11).

Educational and General Expenditures

White institutions spent a larger percentage of their educational and general expenditure budget on instruction and departmental research, on libraries, and on the operation and maintenance of their physical plant than did black institutions. Black institutions expended a larger percentage of their educational and general monies on general administration (including student services, staff benefits, and general institutional expenses), sponsored research (including, apparently, sponsored programs) and on the miscellaneous catch-all "all other."

We turn now to a more intensive examination of each of the educational and general expenditure items. First to be considered is instruction and departmental research. Although the percentage of educational and general expenditure money for instruction and departmental research was greater in white institutions than in black institutions in 1968-69, the brief history of these data which our figures afford was very interesting. In 1967-68 the percentage point spread between black and white institutions was 11.0. In 1968-69 this narrowed to 5.9. As both sets of institutions projected two years into the future, the gap was projected to narrow still further in 1969-70 to 4.7 and even more in

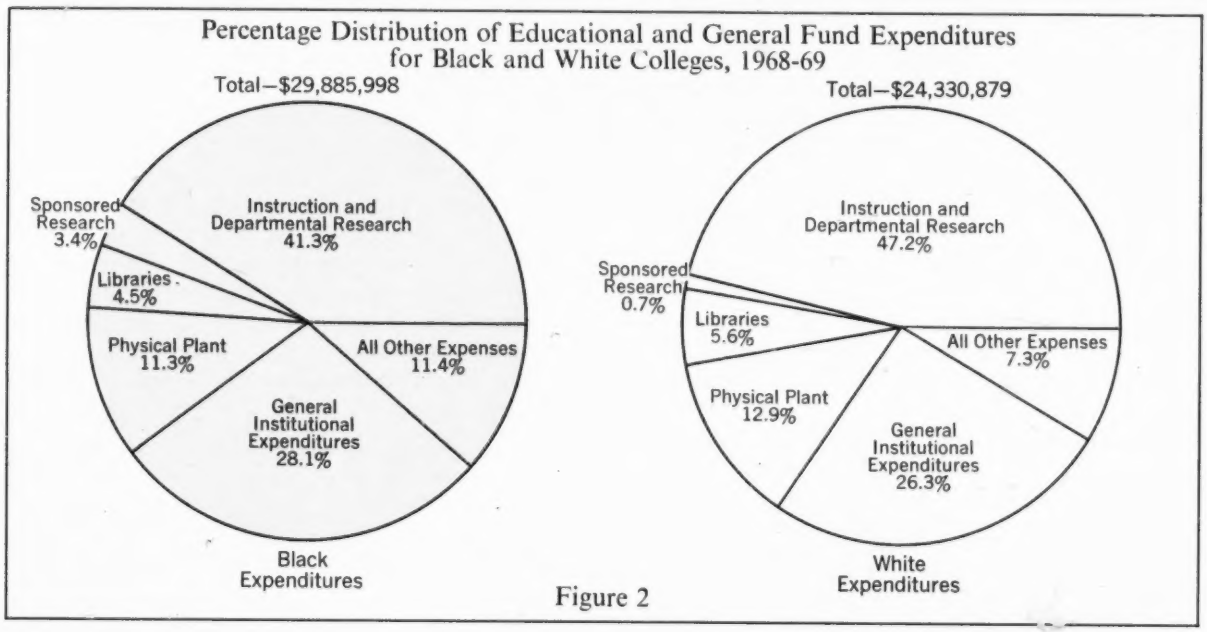

Figure 2

1970-71 to 3.0 (Table 12).

As we looked more closely at 1968-69, the year for which we had the most complete information, we saw that the spread between the medians was greater than the spread between the averages. Additionally, the spread between the largest and smallest black institutions was greater than the spread between the largest and smallest white institutions (Table 13).

Sponsored research – which evidently included some sponsored programs – was greater in black institutions than in white ones. However, only five black institutions reported expenditures of this nature – only two of which were significant amounts. Seven white institutions reported under this category – none of which was a significant amount.

Five per cent of the educational and general expenditures of the institution has been considered the standard minimum level of library support. This, it seems apparent, was a percentage much preferred by these two groups of institutions, but the white institutions were more successful in attaining it than were the black institutions. In 1967-68, the average black institution invested 4.5 per cent of its educational and general expenditure budget in libraries; the average white institution, 4.7 per cent. In 1968-69, the average black institution continued at the 4.5 per cent level but the average white institution went to 5.6 per cent. Each expected a decrease in 1969-70 and a slight increase in the year 1970-71. (Table 14). When the year 1968-69 was looked at more intensively, the additional investment in libraries in white institutions showed up at the median as well as at the average (Table 15).

The next educational and general item warranting attention was the operation and maintenance of the physical plant. The average book value of the physical plant for a black institution was 21 per cent less than the physical plant book value for the average white institution, and the percentage of educational and general expenditure devoted in black institutions to the operation and maintenance of the physical plant was lower than the percentage devoted to this activity in white institutions. Since the educational and general dollar figure was higher in black institutions than in white institutions, the dollar amount devoted to the care of the physical plant was actually higher in black institutions than in white ones.

The larger amount devoted to the operation and maintenance of the physical plant in black institutions might have been related to the fact that the physical plant in black institutions was older and more costly to maintain than the physical plant of white institutions – if that were true. However, the high degree of indebtedness on the physical plant in black institutions – 42 per cent of book value as opposed to 29 per cent in white institutions – suggested that a significant portion of the physical plant at black institutions was quite new. Unless black institutions continued their indebtedness over a longer period of time than white institutions or white institutions were more successful in obtaining gifts for capital purposes, the major difference might have been the greater debt service (principal plus interest) which black institutions were paying. That portion of debt service related to academic facilities could have been entered under this item according to the data reporting guidelines.

The percentage devoted to operation and maintenance of the physical plant in black institutions between 1967-68 and 1968-69 remained the same, while the percentage declined insignificantly in white institutions. As they looked two years into the future, both groups of

institutions hoped that this item would ultimately require a somewhat smaller percentage of the educational and general expenditure budget (Table 16). Available data continued to show that the average and median were higher in white institutions than in black institutions (Table 17).

General administration, student services, staff benefits, and general institutional expenses accounted for something more than a quarter of the educational and general expenditure budget at both black and white institutions. A somewhat larger percentage of the educational and general budget went to these items in black colleges than in white colleges (Table 18). The percentage devoted to these expenditure items was disproportionately higher in three white institutions compared with the remaining white institutions. The average was therefore relatively high for the white institutions as a group. The average masks the fact that in most white institutions a significantly smaller part of the educational and general expenditure budget embraced these items. The median percentage for white institutions was 7.1 percentage points below the median percentage for black institutions (Table 19).

The category "all other" educational and general expenditures was an institutional catch-all for remaining expenses. Both black and white institutions employed this category in highly divergent ways. While there were six black institutions which indicated that they had no expenditure items "left over" to be included in this category, one put over 37 per cent of its educational and general expenditure outlay here while another put a dollar amount in this entry which was nearly 21 per cent of its total expenditure budget. Similarly, four white institutions entered no expenses in this category, and one entered 28 per cent of its dollar outlay in this item. This wide divergence of use made comparison between the two groups difficult. The item, however, needed to be noted in part because of the impact of this category on the total educational and general expenditure budget (Tables 20 - 21).

In general, as Figure 3 indicates, both black and white institutions strove for, and for the most part achieved, a balance between income and expenditure in the educational and general account. For 1968-69, the year for which full financial data were available, black institutions collectively managed a small surplus in this account, while white institutions incurred a small deficit. As will be shown later, however, when examined on a full time equivalent student basis and institution by institution, these average balances were the result of a heavy weighting at both ends of the surplus and deficit scale and not as a result of a large number of institutions actually achieving a balance.

EDUCATIONAL AND GENERAL REVENUE SOURCES PER FULL-TIME EQUIVALENT STUDENT

Per student revenue for tuition and fees averaged $168 more in white institutions than in black institutions in 1967-68, and $191 more in 1968-69. As these institutions projected their figures into the next two years, the gap was expected to narrow close to $100, largely because the white institutions projected a smaller increase than did black institutions (Table 22). The very small amount of income from tuition and fees per student for some white and some black institutions may have reflected individualized accounting systems. Institutions were expected to include gross tuition and fee income in the educational and general account

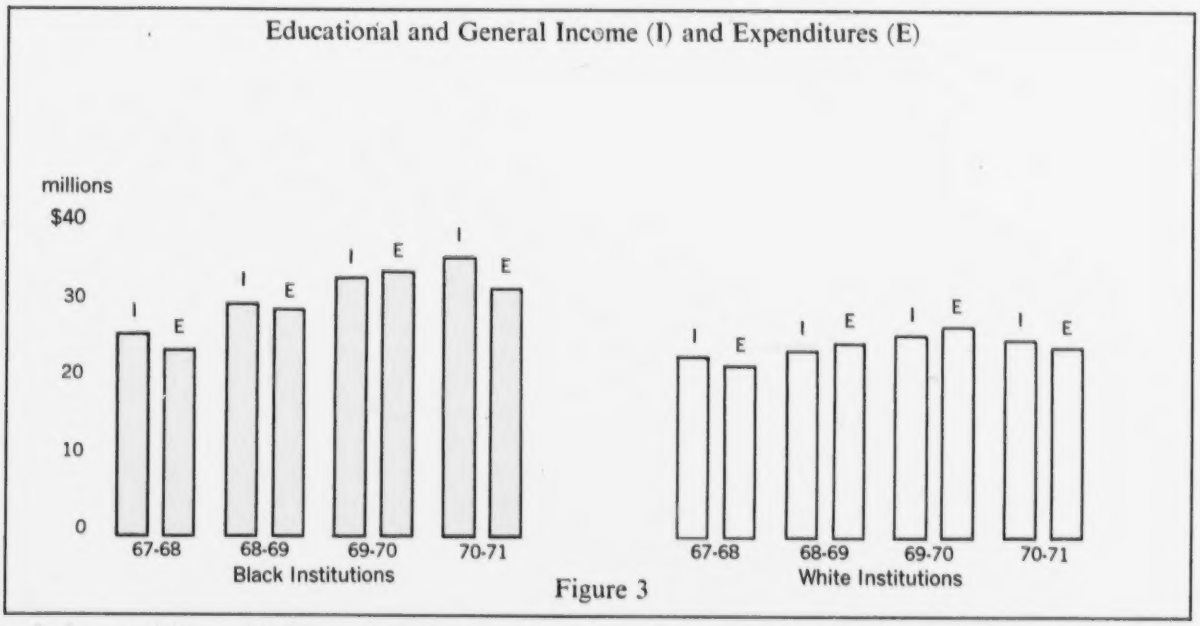

Figure 3

and show tuition subsidies under student aid. However, some of these institutions may have subtracted such subsidies from tuition and fee income and entered only the net receipts. It was difficult to believe that any white institution was charging only $643 for tuition and fees in 1968-69.

The median, however, for black institutions was $929 whereas for white institutions it was $1,049. This figure for all baccalaureate institutions was $1,237. Average tuition and fee income per student by institution for black institutions was $932 and for white institutions $1,123. The range per tuition and fee income for each student by institution was significantly less in black institutions, $477, than in white institutions, $1,104 (Table 23).

Endowment income – taking all black institutions and all white institutions together – when analyzed on a full-time equivalent student basis, showed very little difference between the two groups. This is clear from the table showing average FTES endowment income for both groups of institutions for each of the four years (Table 24). In 1968-69 for example, the figures were $117 per student in black institutions as opposed to $132 for students in white institutions. These averages, however, were quite misleading. While the averages in endowment income for 1968-69 per FTES revealed a $15 difference there was an $81 difference at the median. This figure for all baccalaureate institutions was $57 (Table 25).

Per student income derived from gifts and grants was markedly different in white institutions from that of black institutions. The difference was especially pronounced in restricted gift and grant income but markedly different in unrestricted gift and grant income as well. In 1968-69, the average full-time equivalent student income

nts at black
from unrestricted gifts and gran institutions it
institutions was $287. At white in tion received
was $207. The median black institute gifts and
an FTES income from unrestricte institution
grants of $311; the median whit median bac-
received $188. The figure for the The average
calaureate institution was $172. student from
black institution received $347 per verage white
restricted gifts and grants. The a edian black
institution received $84. The m edian white
institution received $204; the m median bac-
institution received $33; and the $75 (Tables
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26 - 27). There was a constant phe given institu-
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Finally, we compared black and w white institu-
tions on a full-time equivalent stud ent basis for
all educational and general sources s of revenue
combined. The average black inst titution had
educational and general revenue s sources that
amounted to $174 more per full-time equivalent student than the amount received by its white counterpart. The average educational and general income per student at black institutions was $1819. At white institutions it was $1645. The averaged median figures however, narrowed this gap (Tables 30 - 31). The median figure of $1794 for all baccalaureate institutions in 1968-69 was a little higher than the median for either the black or the white group. Note that black institutions were considerably more optimistic in projecting their educational and general income on a per student basis in 1969-70 than were white institutions. If both groups were proved accurate in their expectations, the difference would have been $488 per student as compared with the difference of $174 in 1968-69. In view of the fact that in 1967-68 the average educational and general income for students attending black colleges was $152 more than for the average student attending a white college and the difference between them increased by only $22 one year later, this expected 1969-70 difference of $488 seemed unreasonable. If the prognostications of both groups of institutions proved accurate for 1970-71, the income differential per student would have widened still further to $517.

EDUCATIONAL AND GENERAL EXPENDITURES PER FULL-TIME EQUIVALENT STUDENT

Black and white institutions collectively spent very nearly the same amount of money per student in instruction and departmental research. In 1968-69 the average black institution was separated from the average white institution by only a few dollars. The average would have been a good deal different but for one white

institution which spent disproportionately more per student than any other white or any black institution. It was interesting to note how the averages for black institutions and averages for white institutions compared over the four years of data – actual and projected – presented in this study. If they were presented as two lines, the line representing black institutions would have begun below the line representing white institutions, crossed it and then would have moved above (Table 32). When the year 1968-69 was looked at more intensively, we observed that although one white institution spent $74 less per student than any other white or any black institution for instruction and departmental research, white institutions had a higher median. Moreover, the range between the high and low white institutions was substantially greater than between the high and low black institutions. The median for white institutions was virtually the same as the median (not listed in the table) for all baccalaureate institutions (Table 33). Figure 4, showing the amounts spent per student for instruction and departmental research on an institution-by-institution basis, presents visual support for the statement that the nearly equal averages between black and white institutions as a group accurately represented the situation.

Although white institutions as a group spent 1.6 per cent more of their educational and general expenditures for the operation and maintenance of the physical plant than black institutions, that difference was obliterated on a per student basis. The average black institution spent $215 per student on this expenditure item in 1968-69; as did the average white institution. The median figure showed white institutions spending more; however, one black institution spent the most (Table 34). The median baccalaureate institution spent $210, which was just between the median black and the median white figures.

Institutional expenditures for general administration, student services, staff benefits, and general institutional expenses were greater in black institutions than in white institutions. As a group, black institutions spent nearly two per cent more of their educational and general expenditure budget for these items. On a per student basis in 1968-69, that translated into a $92 difference – $533 in black institutions and $441 in white institutions. As an expenditure item, it rose between 1967-68 and 1968-69 by 14.4 per cent in black institutions and by 12.2 per cent in white institutions. Moreover, it was projected to rise by an additional 23 per cent in 1969-70 over 1968-69 in black institutions and by 10.7 per cent in white institutions. If these projections were accurate, the difference between the average black and the average white institution would have been $168 per student. Part of this difference may have been due to the somewhat larger percentage of current fund indebtedness because of notes payable in black institutions and the consequent debt service which would have been recorded here (Table 35).

When the year 1968-69 was looked at more closely, the $92 per student difference between the average black and white institution was seen to have been less than the difference at the median where the dollar difference was $117 (Table 36). The median for baccalaureate institutions at $531 was much closer to the median for black institutions than it was to the median for white institutions. Figure 5 confirms the constancy of this expenditure difference between black and white institutions on an institution-by-institution basis.

The category "all other expenses" did not offer a basis for very meaningful comparison. Six

Expenditure for Instruction and Departmental Research Per Full-Time Equivalent Student, 1968-69, Institution-by-Institution

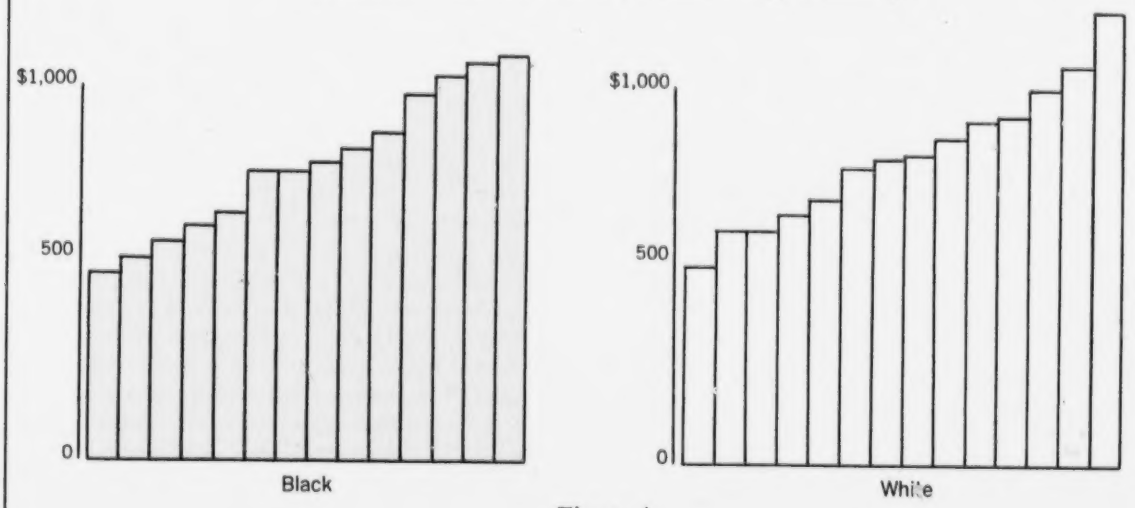

Figure 4

Expenditures for General Administration Per Full-Time Equivalent Student, 1968-69, Institution-by-Institution

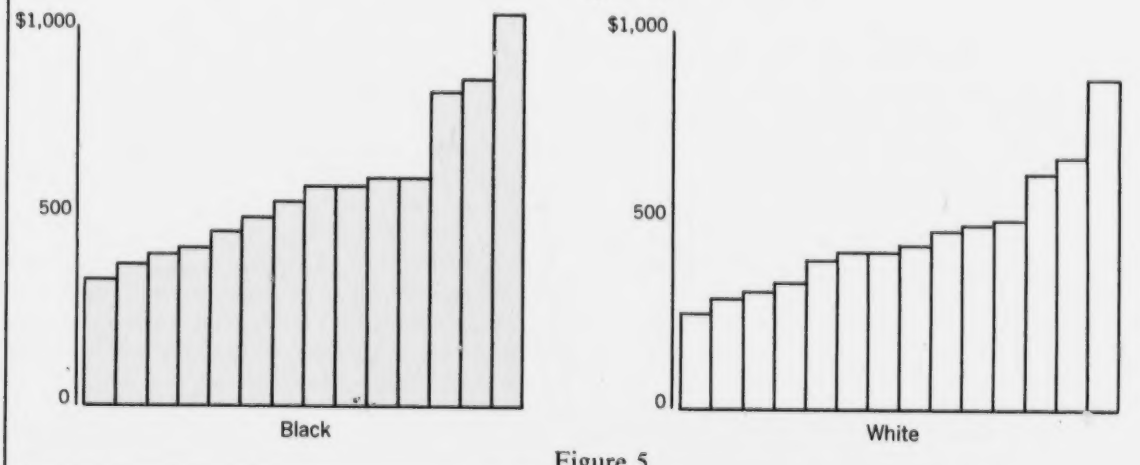

Figure 5

black institutions and four white institutions accounted for no expenditures in this category. Three institutions, two white and one black, entered amounts that were very small on a per student basis, while a few institutions – especially one black institution – entered significant amounts.

Not surprisingly, the colleges that had larger educational and general income per student also spent more money per student. The black colleges, on an average, spent $240 more per student during 1968-69 on educational and general expenditures than did white institutions. The difference of $124 was less for the year before but was expected to be $465 during 1969-70. The difference uncovered by the average was modified at the median (Table 37).

Educational and General Net Surplus or Deficit

The net surplus or deficit in the educational and general account for the four years is shown in Figure 6.

In 1968-69 the educational and general budget for both black and white institutions was, on a per student basis, virtually a break-even budget. As groups of institutions, black institutions had a scant $7 surplus per student, while white institutions had something less than a $2 deficit per student.

How these two groups met at the zero line, however, is set forth very graphically in Figure 7, which presents this surplus or deficit on an institution-by-institution basis. The break-even average masks the fact that exactly half of the black institutions and nearly half of the white institutions ran deficits in degrees of magnitude that were matched by the surpluses run by the remaining institutions. The left-hand side of each graph looks like a reflection of the right hand side – as though mountains were being inverted by a reflecting pool of still water.

STUDENT AID

The average black institution generated more income for student aid than did the average white institution, and it expended more money for student aid than did the average white institution. This was true both on an institutional basis and on a per student basis. In 1968-69 the average black institution reported an income for student aid of $447,000. The average white institution reported an income for student aid of $60,000. One black institution reported receiving no income for student aid in that year and another reported receiving over $1,400,000. The range for white institutions was from $20,000 to approximately $136,000. On a per student basis, the average black institution had an income for student aid of $300 compared to the amount of $57 available at the average white institution. Although both groups saw student aid income rising in the following two years, the black institutions anticipated that their income would rise substantially more than the amount anticipated by the white institutions, both in absolute dollar amount and as a percentage of increase (Table 38).

The figures analyzing the year 1968-69 suggested that the differences in income between these two groups of institutions for student aid as recorded in the current fund account was even greater than the average suggested. When the institutions were arranged in an hierarchy of increasing amounts of student aid income per student, it was interesting to note that the fifth black institution and those higher received 40 per cent more student aid income per student than did the second highest white institution (Table 39).

Educational and General Net Surplus or Deficit 1967-68 through 1970-71
Per Full-Time Equivalent Student

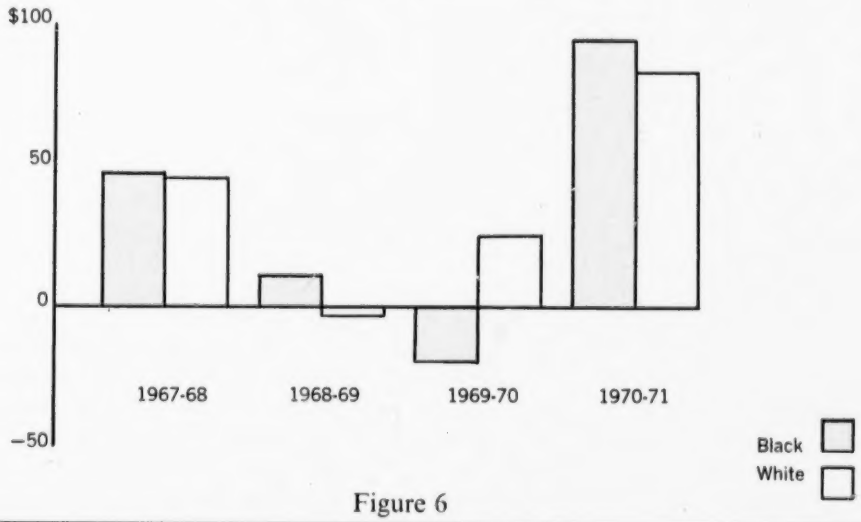

Figure 6

Net Surplus/Deficit, Educational and General Account, 1968-69
Per Full-Time Equivalent Student, Institution-by-Institution

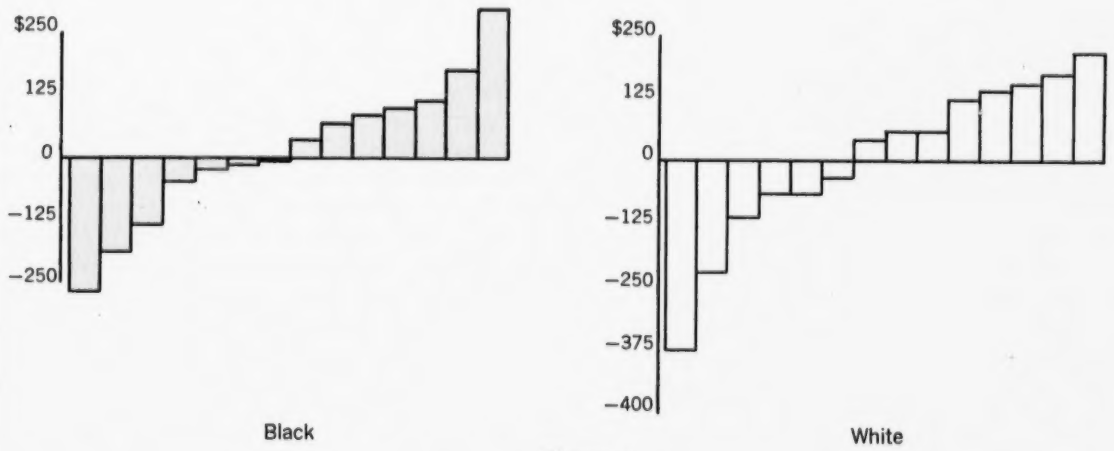

Figure 7

All the institutions, however, needed more money than they received for student aid and spent more than they did receive. The black institution which reported no income for student aid spent $146,000 and the one which generated $1.4 million income expended $1.9 million. The white institution which reported $22,000 of student aid income spent $202,000 on student aid. The average black institution expended $437,000 on student aid, and the average white institution expended $138,000. On a per student basis, the average black institution spent $186 more on student aid than did the average white institution in 1967-68, $255 more in 1968-69, and anticipated spending $391 more in 1969-70 (Table 40). Looking at 1968-69 more intensively, in order to compare the black institutions expending the least amount of money on student aid per student with its counterpart among the white institutions, we saw that at the median the ratio was roughly two to one (Table 41). The median figure – $178 – for all baccalaureate institutions was between the black and white median figures.

We inquired of these institutions as to the sources of their student aid and sought to discover how much of their student aid was paid for from general institutional operating funds, endowment or funds functioning as endowment, private funds, or state and federal funds. Certain inconsistencies in the reporting of these data made it difficult to feel comfortable about reporting precise percentages. If we had restricted our sample to those pairs of institutions which shared common reporting procedures and whose total of student aid equaled the amount of money reported as being expended in the current fund account, we would have been reduced to a sample of four matched pairs or eight institutions. The sources of student aid income for these eight institutions are indicated in Figure 8.

When the imperfect data from the remaining institutions were coupled with the data from these four matched pairs of institutions, it appeared as though the figures cited above may have understated the contribution of black institutions to student aid from general institutional operating funds and overstated the contribution from the general institutional operating funds of white institutions. Similarly, the contribution to student aid from endowment and funds functioning as endowment in black institutions may have been considerably overstated by the figures cited above and slightly overstated even in the white institutions. The contribution to student aid from federal and state funds might be understated in the figures cited above for both black and white institutions, but understated more in white than in black institutions.

AUXILIARY ENTERPRISES

The average black institution and the average white institution had income from auxiliary enterprises that on an institutional average basis and rounded off to the nearest thousand, was identical; $686,000 per institution. Their expenditures for auxiliary enterprises were also very similar. The average black institution expended $613,000; the average white institution expended $610,000. Thus at least on the basis on which they had kept their books, both black and white institutions found auxiliary enterprises to be an income-producing group of activities with the average white institution in 1968-69 netting $76,000 and the average black institution $73,000. The figures were different on a per

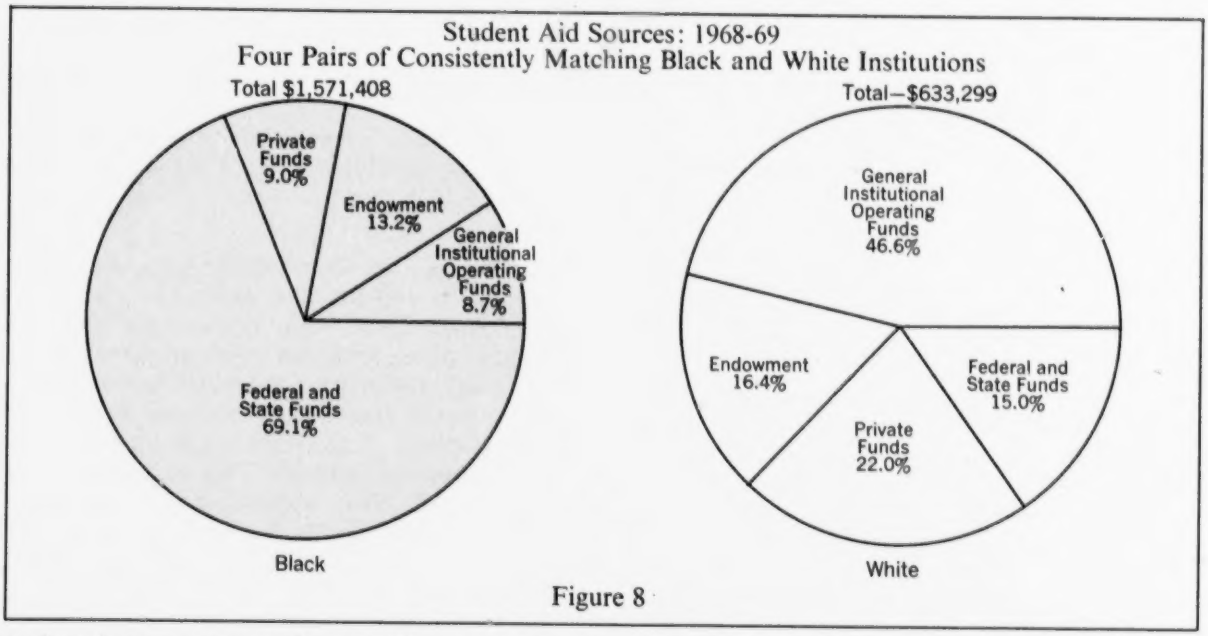

Figure 8

student basis, and yet the net difference – or lack of difference – was still present. The average white institution had income from auxiliary enterprises nearly $50 more on a per student basis than did the average black institution, but it expended $42 more than the average black institution. The average black institution in 1968-69, therefore, had an excess of income over expenditures in auxiliary enterprises of $42; the average white institution an excess of $49 – $7 more per student than the average black institution (Tables 42 - 43).

A more intensive look at 1968-69 data revealed that the income per full-time equivalent student from auxiliary enterprises for black and white institutions on an average basis varied only by $49, and at the median the differential was $80 (Table 44). The figures on expenditures per full-time equivalent student for auxiliary enterprises conformed closely to income figures except that the dollar difference between black and white institutions was less at the median (Table 45). The median for baccalaureate institutions would have been higher than the medians for black and white institutions.

Although most of these institutions managed to maintain their auxiliary enterprises – or at least their accounting of auxiliary enterprises – in such a way as to show an excess of income over expenditure, three black institutions and four white institutions had fairly consistently run a net deficit in auxiliary enterprises. One additional black institution and one additional white institution anticipated showing a deficit in this account in fiscal 1970.

PHYSICAL PLANT INDEBTEDNESS

The average black institution had a physical

plant with a book value of $6,296,000. The average white institution had a physical plant with a book value of $7,922,000. The average for all private baccalaureate institutions in the nation was $8,002,000. Black institutions ranged in value from $1,922,000 to $23,123,000 with the median physical plant book value being $4,752,000. The range in value of white institutions was from $2,678,000 to $13,488,000 with the median being $8,241,000. The average black institution had an indebtedness on its physical plant of $2,662,340. This ranged from an indebtedness of $452,000 to $8,513,000 with the median indebtedness being $1,639,000. The average white institution had an indebtedness on its physical plant of $231,000. This ranged from an indebtedness of $664,000 to $4,640,000 with the median indebtedness being $2,126,000.

In terms of percentages, the average black institution carried an indebtedness on its physical plant that was 42.3 per cent of that plant's book value. This was 13 per cent more than the average white institution where the ratio of indebtedness to book value was 29.3 per cent, and also 10.5 per cent more than all baccalaureate institutions for which the ratio was 31.8 per cent. The spread at the median was virtually the same as the spread at the average. The median percentage figure of indebtedness to plant book value for black institutions was 38.2 per cent; for white institutions it was 27.3 per cent (Table 46).

The significantly higher degree of indebtedness on the physical plant for black institutions might have reflected the fact that black institutions were not as successful as white institutions in obtaining capital gifts and had to obtain more loans for the facilities they constructed. It could also have reflected the existence of longer mortgage arrangements than those obtained by white institutions. The explanation is not to be discovered in the data employed in this study. What was virtually certain – unless black institutions were able to obtain loans at much lower rates of interest than white institutions – was that black institutions had a higher burden of debt service payments than did white institutions.

The sources of this indebtedness were also interesting. Neither the black nor the white institutions in this study had received loans for physical plant from state or local governments. One black institution and two white institutions had invested their own endowment funds in their physical plant. Four black and six white institutions had invested current funds of the institution in their physical plant. The largest dollar amounts from the current fund were $129,000 and $70,000 for black and white institutions, respectively. The indebtedness on the physical plant, therefore, for both black and white institutions was chiefly to private sources outside the institution and to the federal government. However, the extent of their dependence upon these two sources of funds was by no means similar for both black and white institutions. White institutions were dependent upon the federal government for 66 per cent of the loan money on their physical plants and dependent upon private sources for 33 per cent. The same figures for black institutions were, respectively, 53 per cent and 46 per cent. Baccalaureate institutions, taken as a national average, reported more indebtedness to endowment, to state governments, and to current funds than either the black or the white institutions in this analysis. Their indebtedness to the federal government was 53.1 per cent of their total indebtedness, and to private sources, 31.1 per cent. The differences between these black and white institutions are presented visually in Figure 9. Two black and two white institutions

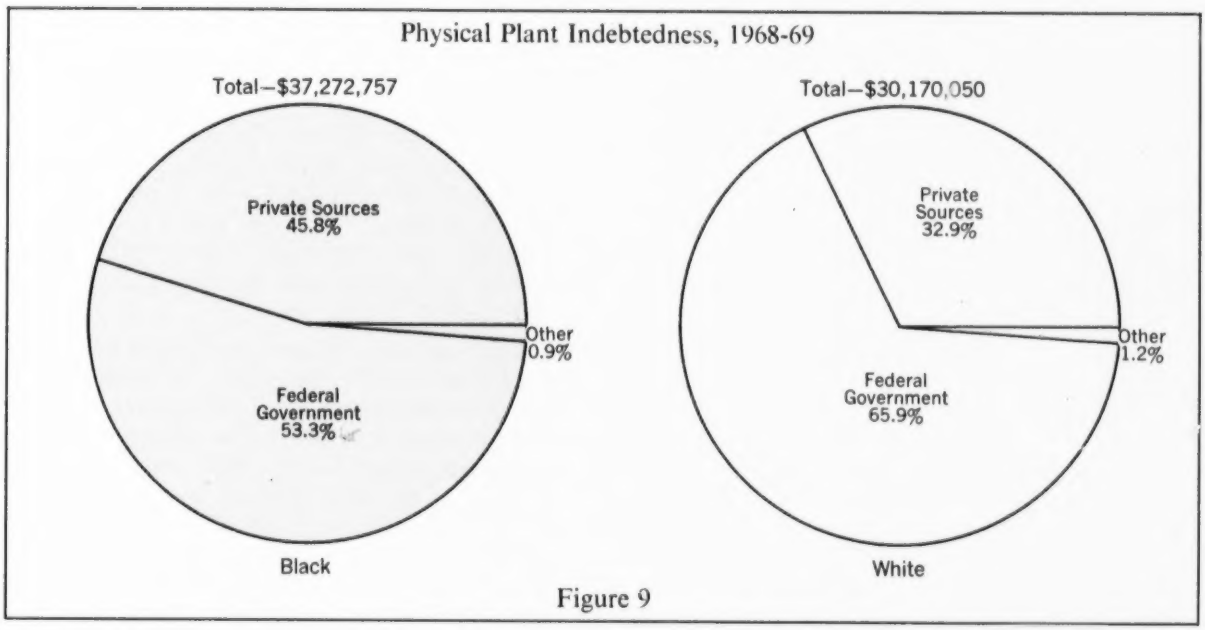

Figure 9

had no indebtedness to the federal government but were indebted to private sources outside the institution. On the other hand, six black institutions and three white institutions had the totality of their physical plant mortgages held by the federal government; in addition, at one black and two white institutions over 95 per cent of the indebtedness was to the federal government.

CURRENT FUND INDEBTEDNESS

A little less than half of the current fund indebtedness for both black and white institutions was, of course, current accounts payable and accrued taxes. With the exception of one white institution none of these institutions had an indebtedness to either state and local government other than for accrued payroll or other taxes, while four black institutions and two white ones carried a current fund indebtedness to the federal government. In the case of one black and both white institutions these were relatively small amounts for the institutions involved, but for the remaining three black institutions these were 10.9, 16.4 and 21.7 per cent of the current fund indebtedness at those institutions. The substantial current fund indebtedness at both black and white institutions, after current accounts payable and accrued taxes, was to other funds of the institution and to private sources outside the institution – notes payable (other than current accounts payable). Of the current fund indebtedness at black institutions, 21.9 per cent was to other funds of the institution while at white institutions 16.1 per cent was to this source. Black institutions owed 27.0 per cent of their current fund indebtedness to private sources outside the

institution while white institutions had 20.4 per cent of their indebtedness owed to this source. These percentages appeared a little more comfortable than for baccalaureate institutions generally where the percentages were 21.8 per cent to other funds of the institution and 33.7 per cent to notes payable to private sources (other than current accounts payable). The respective amounts for the black and white colleges are set forth in Figure 10.

CHURCH SUPPORT

One of the characteristics chosen as a means of creating a matched sample of white institutions and black institutions was church relationship. In an era in which very few church-related institutions were receiving substantial contributions toward their operating budgets, it was interesting to see how black institutions compared with white institutions. Two institutions, one black and one white, reported themselves independent of any church relationship and did not, in fact, record any church support. The white institution related to the Roman Catholic Church reported no dollar figure for "church support." The black institution related to the Roman Catholic Church reported a small dollar amount from this source.

Considering the two groups as being composed of fourteen institutions each, the average black institution received $145,000 in church support; the average white institution received $108,000 from this source. That amount ranged in fiscal 1969 for black institutions from a low of $35,000 to a high of $450,000 according to the thirteen institutions which actually reported support. For the twelve white institutions the

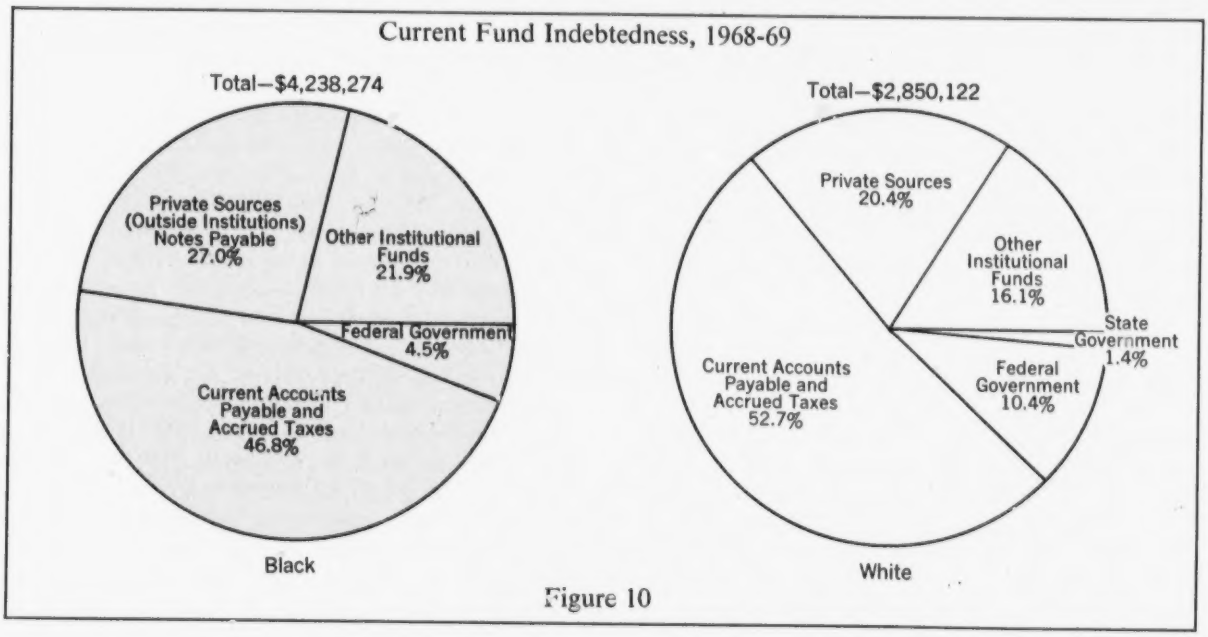

Figure 10

range was from $29,000 to $522,000 (Table 47).

One white institution received nearly three times as much support from its denomination as any other white institution. One black institution received over two times the support of any other black institution. If we had deleted these two institutions from the figures and also deleted the institutions at the other end of the scale – those who reported zero dollars of church support – the averages would have been: black institutions, $131,000; white institutions, $90,000. The absolute dollar amount of church support may have been less important than the percentage that dollar amount was of the total educational and general income. For one white institution it was 43 per cent; for one black institution it was 21.4 per cent. Two white institutions and one black institution, as already noted, received zero percentage of support for the educational and general budget from some church body. Considering both groups as though composed of 14 members each, the average black institution received 6.7 per cent of its educational and general income from a religious denomination. The average white institution received 6.3 per cent from this source. The median was probably more instructive. The median black institution received 8.9 per cent of its educational and general income from this source; the median white institution received 5.9 per cent. Moreover, if one eliminated the institutions which received no support from this source and permitted the median to float accordingly, then the difference would have been four percentage points, 11.1 and 7.1 per cent respectively.

Nationally, of denominations having three or more colleges, the Seventh Day Adventist had the best record for supporting the colleges and universities related to it. They provided 11.8 per cent of the current fund budget of their member colleges. Comparing that level of support with institutions in this study, two white and six black institutions received a larger percentage. The religious denomination was a very important source of support for these institutions (Table 48).

One final analysis of church support was made on the basis of full-time equivalent students. The median figure for black institutions was $135 per student. The median for white institutions was $87 per student. If the institutions receiving zero dollars of church support were eliminated and the median was allowed to float accordingly, the median would become $177 for the full-time equivalent student at a black institution and $115 at a white institution. Of those which actually received church support, one black institution received as little as $28 per student and one white institution as little as $21 per student. One black institution received $385 per student and another received $354. Five institutions received over $200 per student. One white institution received $532 per student, and the only other receiving more than $200 received $230 per student.

ENDOWMENT FUNDS

Three black institutions and one white institution were unable to supply the market value of the total endowment of the institution, excluding funds functioning as endowment, and supplied book value only. In the case of one black institution with an endowment (book value) of less than $300,000, and another with an endowment of less than $400,000 – as well as in the case of the one white institution with a book value endowment of only $53,000 – it

was understandable that the market value was not available. It was not understandable in the case of the black institution which had a book value endowment in excess of $1,600,000. The black institution with the largest endowment had $29,236,584 in endowment funds. The white institution with the largest amount had $12,595,824.

Including those institutions which listed only book value in the compilation, the median black institution had a market valued endowment of $616,829, and the average black institution had an endowment of $2,885,357. The median white institution had an endowment of $2,541,638 and the average white institution had an endowment of $3,439,492. Including the institutions listing only book value and analyzed on a full-time equivalent student basis, the median black institution had an endowment per FTES of $597 and the median white institution had an endowment of $2,681 per FTES.

ENROLLMENT

The data on freshman applications over the years covered by this study were not encouraging. This was true for both black and white institutions but in different ways. The white institutions had received fewer applications each year, but this had not been true of black institutions. Figure 11, depicting recent conditions, suggests that black institutions might have quickly caught up with the negative picture in white institutions; fortunately, freshman applications were only a small part of the enrollment picture.

Freshman admissions – which indicate the students the institution chooses to admit from among its applicants – are related to freshman applications. If the number of applications drops, the number of admissions would also drop unless the institution increases the percentage of applicants that it is willing to admit. Even this, however, may not be sufficient to offset a decline in the number of applications, especially if the institution acts too late. As in Figure 12, the increases and decreases in freshman admissions at these institutions from one year to another roughly parallel the increases and decreases in freshman applications.

Of greater interest was the change in the percentage of freshmen admitted from among those who applied. The change in the percentage of acceptances appeared to respond to the number of freshmen who actually enrolled the year previously. That is, if the percentage of applicants admitted one year produced a freshman enrollment lower in number than the institution hoped for, the following year a larger percentage of freshman applicants would be granted admission. As revealed in Figure 13, the percentage varied for white institutions from a low of 61.3 per cent to a high of 70.7 per cent, and among black institutions from a low of 60.8 per cent to a high of 67.6 per cent. The national average for private institutions was about 60 per cent. For baccalaureate institutions generally, however, the percentages were almost identical to the percentages recorded here for the black institutions.

As Figure 14 indicates, the average white institution in our study increased its freshman head count enrollment in 1966-67 over 1965-66. Freshman enrollment declined the following year to the 1965-66 level and diminished still further in 1968-69. There was a slight rise in 1969-70, but over the five year period there was a net loss of 2.6 per cent. The average black institution continued to increase its freshman

Percentage Changes in Freshman Applications (Non-cumulative)

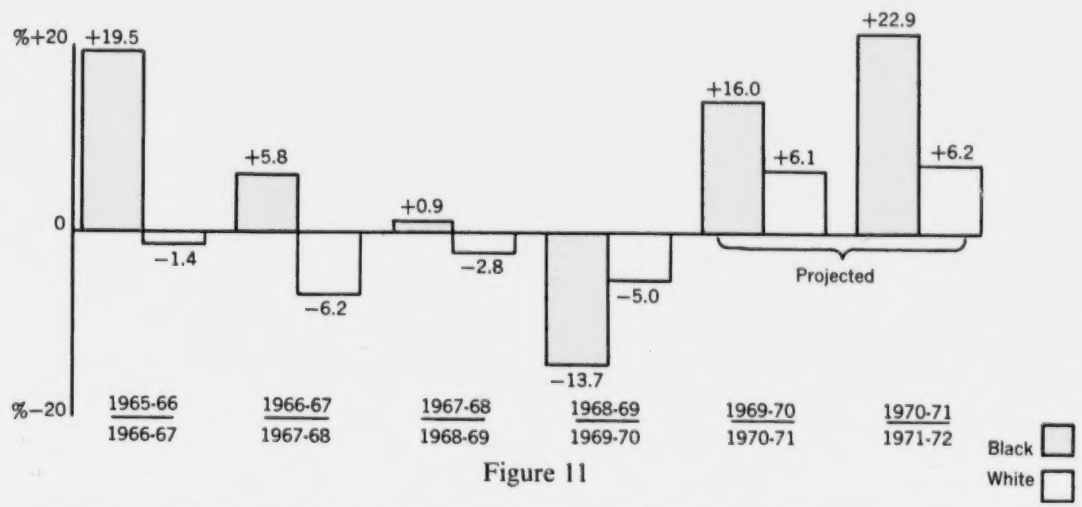

Figure 11

Percentage Changes in Freshman Admissions (Non-cumulative)

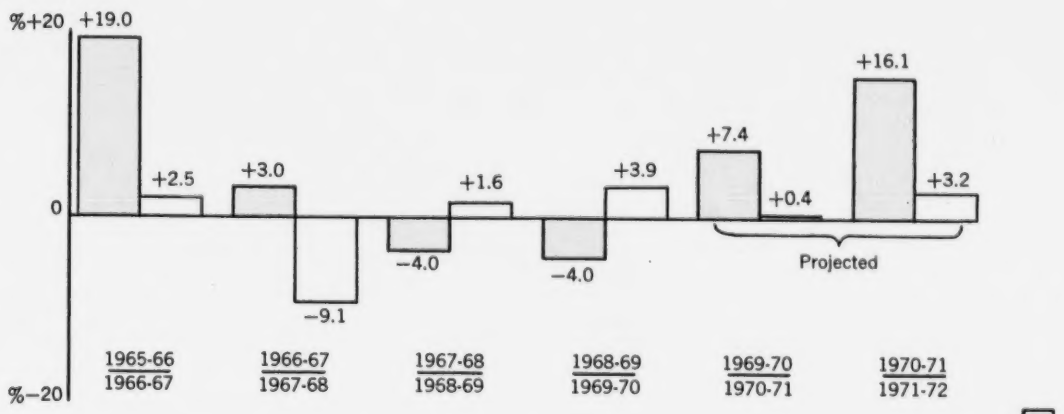

Figure 12

Freshman Admissions as a Percentage of Freshman Applications

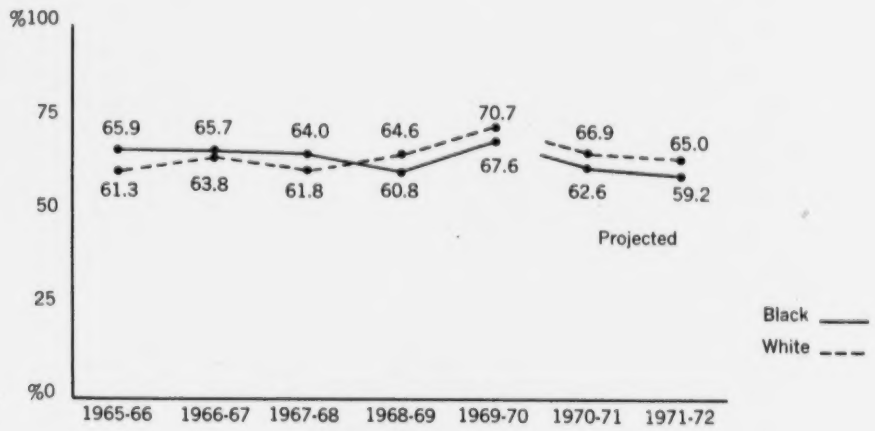

Figure 13

Freshman Enrollment

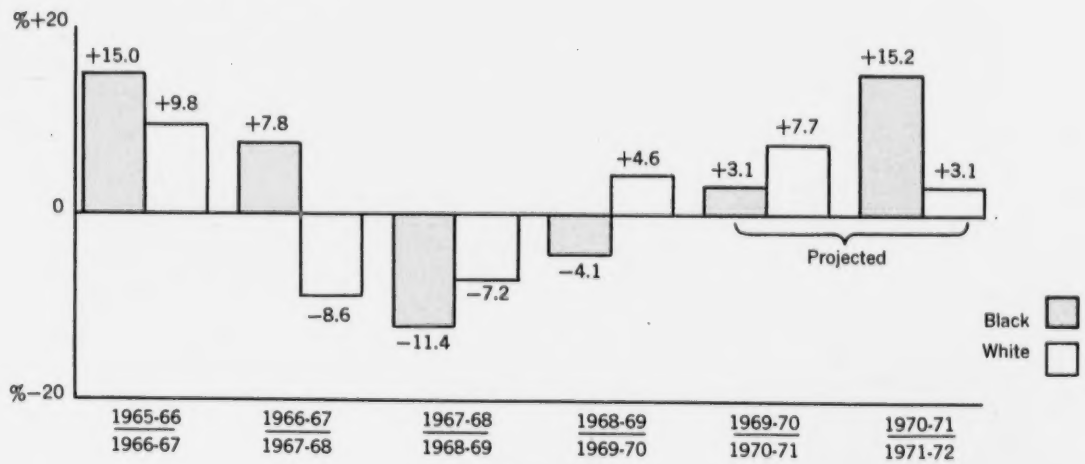

Figure 14

head count enrollment even into 1967-68. Enrollment in each of the following two years, however, was lower than the year before. In contrast to the white institutions, even without an increase in 1969-70, there was still a net increase over the five year period of 5.4 per cent.

Both groups of institutions did a good job of translating into actual enrollment those freshmen whom they found admissible. While the national translation rate for private institutions in 1967-68 was 62 per cent, it was 70 per cent for this group of white institutions and an astonishing 80.3 per cent for the black institutions – as shown in Figure 15. For the last two years there had been a ten percentage point difference between the black and white institutions in the study on this score.

Nationally, freshmen constituted between 28.4 and 26.0 per cent of the total undergraduate head count enrollment in private institutions between the years 1965-66 and 1969-70. For the white institutions in this study that percentage declined from 27.1 per cent to 23.2 per cent over the same period, and in black institutions declined from 35.7 per cent to 28.9 per cent. In baccalaureate institutions in the nation it declined from 31.7 per cent to 27.1 per cent. Since total undergraduate head count enrollment had been growing slightly over these years in both black and white institutions, the smaller percentages reflected the decline in freshman enrollment. For purposes of comparison, therefore, the first two years of the data were the most interesting. We probably came closer to the "normal" percentage that freshmen constituted of the whole in these two groups of institutions during these early years. When both groups of institutions were growing, freshmen constituted between 8.5 and 9.0 percentage points more of the total undergraduate population in black institutions than they did in white institutions. The practical significance of this, of course, was that fewer black students remained at the institutions in which they were enrolled than did white students and the drop-out problem was more severe – as shown in Figure 16.

If judged in terms of head count, enrollment at both black and white institutions over the period 1965-66 through 1969-70 showed an increase each succeeding year over the previous year – as indicated in Figure 17. For white institutions, after an 8.6 per cent increase in 1966-67 over 1965-66, the percentage increase had been between one and two per cent. Black institutions showed a steady stair-step decline in the rate of increase from 12.6 per cent to 9.7 to 4.2 to 1.3 per cent. As Figure 18 reveals full-time equivalent enrollment was a more disturbing picture. Black institutions showed the same stair-step decline in rate of increase except that by 1969-70 the rate of increase had declined to absolute zero. For white institutions the rate of increase actually became a rate of decrease in two of the four years. When the period 1965-66 through 1969-70 was viewed as a unit, both black and white institutions showed an overall increase in enrollment whether measured by head count or by full-time equivalent. Enrollment in the white institutions increased 13.8 per cent when measured by head count and 9.9 per cent when measured in terms of full-time equivalent. For black institutions, the respective figures were 30.5 per cent and 31.5 per cent. Both black and white institutions, as the bar graphs show, hoped to upset the trend and to begin to increase their total enrollment. Instead of the increases they had projected, however, they actually experienced a further decline. Full-time equivalent in black institutions in 1970-71 fell another 1.3 per cent over 1969-70. In white institutions it fell 3.7 per cent. Enrollment was up in four black and five white institutions but was down for each group taken as a whole.

Freshman Enrollment as a Percentage of Freshman Admissions

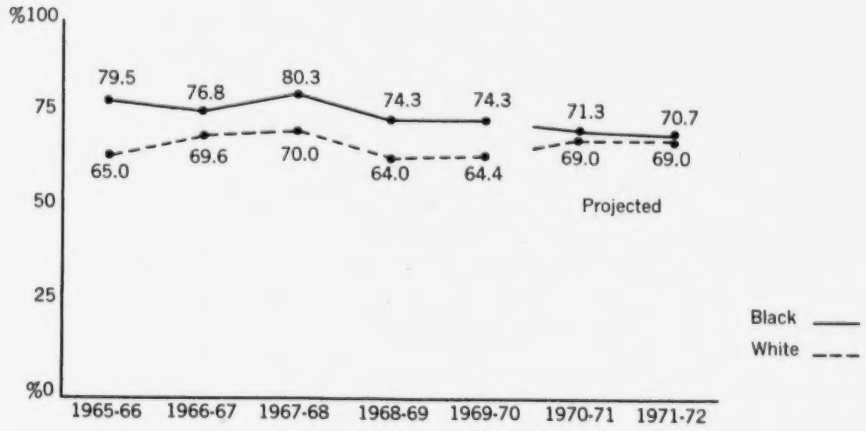

Figure 15

Freshman Enrollment as a Percentage of Total Enrollment

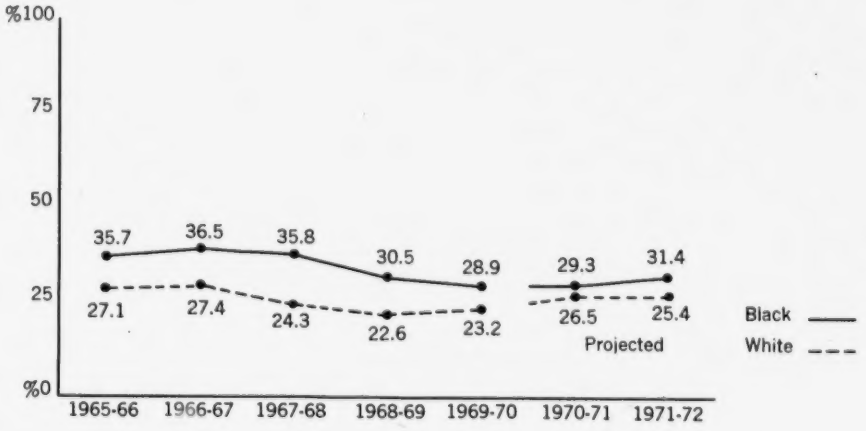

Figure 16

FEDERAL AID

When asked which of several types of federal aid the presidents of these institutions favored as part of a balanced program, presidents of both black and white institutions indicated their first choice was facilities grants directly to institutions and their second choice was institutional grants directly to institutions. Presidents of black institutions were slightly more favorably inclined toward these two kinds of aid than their counterparts in white institutions. All of the presidents of black institutions indicated that facilities grants were a preferred form of aid as compared with eleven presidents of white institutions who indicated that it was preferred, two that found it acceptable, and one that indicated it was unacceptable. Third highest in the preferred listings for black institutions was facilities loans, which showed up in sixth place for white institutions. Categorical grants, which was in fourth place among black institutions, was in seventh place for white institutions. Grants to students was in fifth place among black institutions and fourth place for white institutions. Loans to students was in sixth place for black institutions and in third place for white institutions. When "acceptable" was added to "preferred" they were all about equal.

The interesting differences, however, showed up in the types of aid that were judged "unacceptable" by some of the college presidents. A federally-supported student loan bank, for instance, was noted as a preferred form of aid by four presidents of black institutions as compared with seven presidents of white institutions. It was acceptable to the presidents of eight black institutions and seven presidents of white institutions. It was labeled unacceptable by the presidents of two black institutions. Income tax credit for student expenditures, nevertheless, was judged unacceptable by the presidents of five of the white institutions. It was either preferred or acceptable for all of the presidents of black institutions except one who raised a question for clarification concerning it. Interest subsidy, another type of federal aid, was considered unacceptable by two presidents of white institutions and by one president of a black institution.

What was especially striking was that grants to the states for distribution either to students or to institutions – not very popular with presidents of private institutions anywhere in the country – was judged unacceptable by more presidents of black institutions than presidents of white institutions. Seven presidents of black institutions indicated that they would find grants to the state for distribution to students unacceptable as compared with four presidents of white institutions. Nine presidents of black institutions indicated that they would find grants to the states for distribution to institutions unacceptable as compared with four presidents of white institutions.

LIVING WITH TIGHT FINANCES

We asked these institutions if the changed economic condition on their campuses had any effect upon the nature of their student body or if the changed nature of their student body had an effect on the colleges' economic condition. Seventy-five per cent of the black institutions and half of the white institutions expressed the need for increased financial aid for their students. Three of the black institutions thought that they detected a deteriorating academic aptitude in the students who had entered over the last three years. An equivalent number of white institutions alluded to the same problem by calling attention to their difficulties in

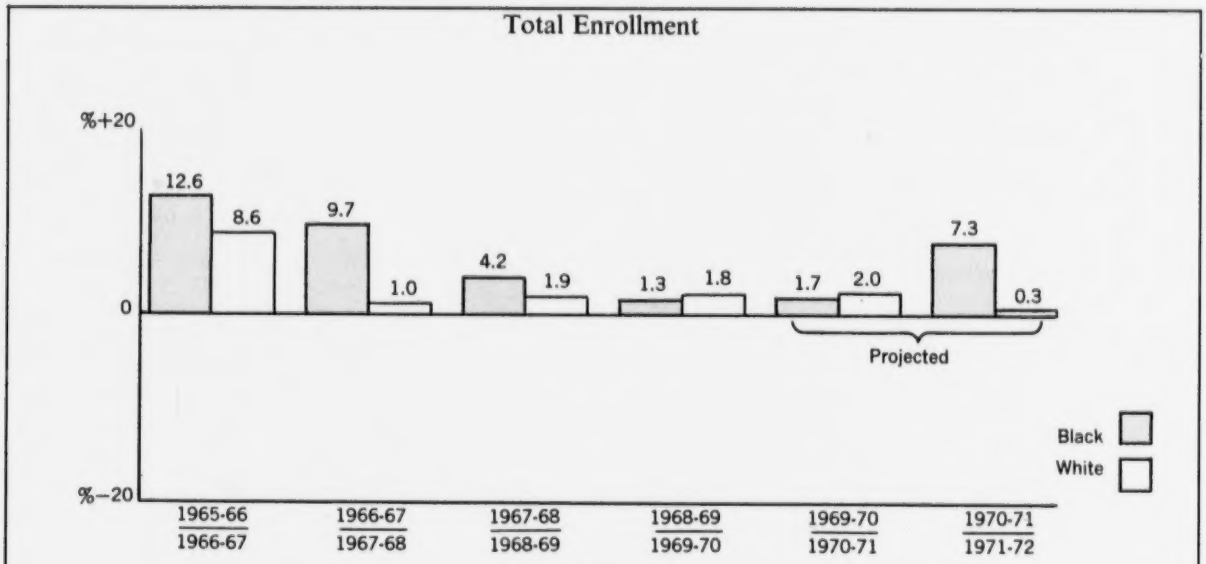

Figure 17

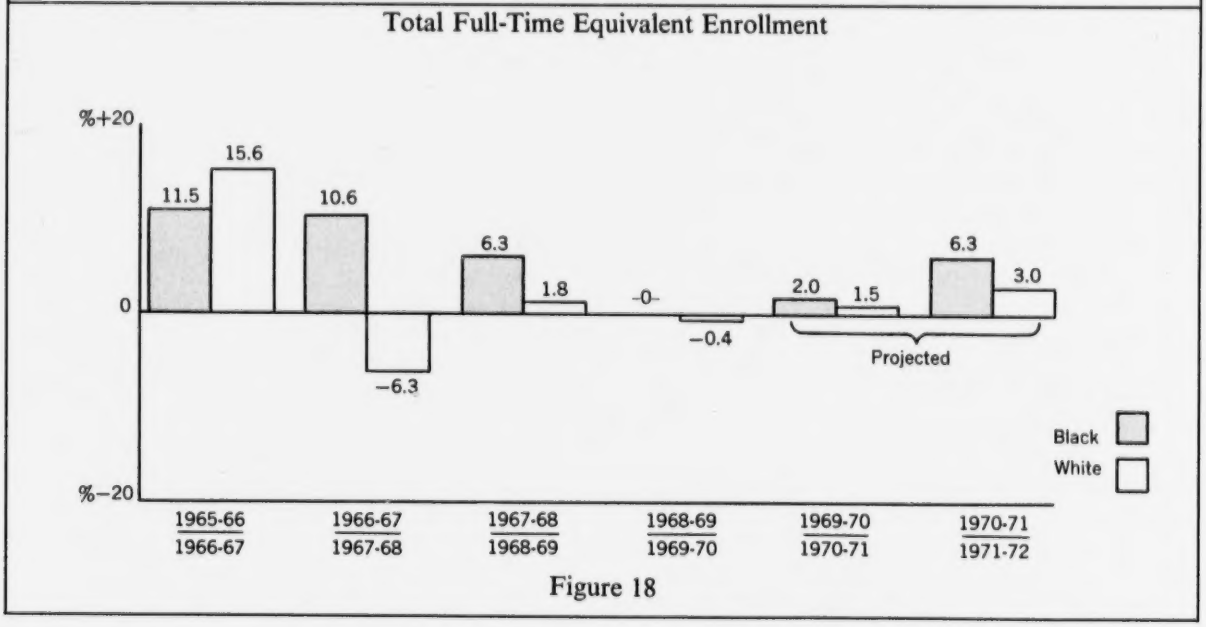

Figure 18

attracting students. One black and one white institution noticed a shift in the sex distribution favoring the percentage of male students enrolled. They detected a relationship between this fact, the economic condition generally, and their own rising tuition.

We also asked these presidents what programs for which they had reasonable aspirations of achieving in the next five years had not been initiated because of financial restrictions. Buildings were frequently mentioned as casualties. Seven of the black institutions and eight of the white institutions were able to refer to specific buildings planned but not built. Most frequently mentioned by both groups were classrooms, libraries, residence halls, and physical education buildings. Also cited was delay in the acquisition of library materials and other equipment. Four of the black institutions reported the elimination of freshman orientation and counseling programs. No comparable program was mentioned by any white institution. Six black and eight white institutions were forced to delay, curtail, or eliminate various programs – especially in the teacher education specialties and fine arts. (Also mentioned were business administration, in one black institution; mathematics, social science, and environmental studies in white institutions.) One black institution responded to its financial crisis by eliminating all of its one-man departments.

We also asked the institutions if any academic programs had actually declined in quality because of financial stringencies. Compared with private institutions generally, a large number – 64 per cent of the black institutions and 57 per cent of the white institutions in this study – told of deterioration in various programs or commented on their inability to improve programs in need of improvement. For private institutions generally that percentage was 25 per cent. In black institutions applied programs as well as liberal arts programs were adversely affected. Inability to hire additional faculty and/or satisfy faculty compensation expectations were cited as reasons for the deterioration in the academic quality of program offerings. Three institutions reported no deterioration in the quality of their program offerings. Two others were only able to "stand pat."

The institutions also reported on the extent to which the undergraduate class size and student-faculty ratios had been modified to meet financial exigencies. Ten of the black institutions and five of the white institutions claimed to have increased their student-faculty ratios. This was not reflected, however, in the student-faculty ratios which we computed for black institutions as a group and white institutions as a group. In both groups of institutions there were actually fewer students per faculty member than there were formerly. The intention to do something about this ratio – and the belief that they had done so – was not reflected in performance. It might well have been, of course, that institutions did cut back on faculty but fell short of their expected enrollment and thereby failed to reap the benefit of an altered student-faculty ratio. Ten of the black institutions and two of the white institutions indicated that their financial situation had led to a re-ordering of priorities which they considered beneficial. Four of the black institutions and three of the white institutions turned to cost accounting techniques as a result of their financial situation. Eight of the black institutions and four of the white institutions indicated that they were prompted to improve their fund-raising techniques. Closer scrutiny of the budget, especially at the departmental level, was cited by both black and white institutions. One black institution mentioned a greater participation in federal programs and one white institution indicated

that it had been led to merge with another institution as a beneficial outcome of the financial situation.

RESPONSES TO DEFICITS

We invited the institutions to tell us how, if they reported a net current fund deficit, they had reacted to it. Most frequently, reactions cited by black institutions were to retrench expenditures and defer maintenance. The reaction most frequently mentioned by white institutions was to raise tuition. Raising tuition was the third most frequently cited response by black institutions. The second most popular response for white institutions and the fourth most popular for black institutions was to borrow money – including from current funds.

We also asked them how they proposed to meet any projected future deficit or how they proposed to avoid one so that they could project a balanced budget. White institutions again responded that they would raise tuition. Further, they would retrench expenditures and increase fund-raising activities. Others saw the possibility of further borrowing and transferring from unappropriated surplus. Three institutions mentioned resorting to spending the appreciation on endowment funds. The most popular responses to future needs among black institutions were to retrench expenditures further and to increase fund-raising activities. Raising tuition and further borrowing were the responses next most frequently cited. No black institutions mentioned spending the appreciation on endowment funds. Two, however indicated that they had other reserves from which they could transfer monies.

FACULTY

In general, faculty members in white institutions received higher compensation than faculty members in black institutions. In 1969-70 this difference amounted to nearly $1200 for professors, nearly $750 for associate professors, and $777 for assistant professors. Five years ago, however, these dollar gaps were larger. The gap between compensation received by professors at black institutions and white institutions had narrowed by $283 since 1965-66. The gap between compensation received by associate professors had narrowed by $573, and the difference in compensation received by assistant professors had narrowed by $524.

In terms of percentages the average professor in a white institution in 1965-66 received 18.5 per cent more compensation than the average professor in a black institution. In 1969-70 he received 9.8 per cent greater compensation. Associate professors in white institutions at the start of this period received 19.1 per cent more than associate professors in black institutions. At the end of the period they received 7.2 per cent more. Assistant professors in white institutions received 21.9 per cent greater compensation than assistant professors in black institutions at the start of the period and 8.8 per cent greater compensation five years later.

White institutions had a higher percentage of their faculty employed at the level of lecturer or teaching assistant than black institutions. Nearly ten per cent of their faculty members over the years covered by these data were at this level, two thirds of whom were part-time. Black institutions had about four per cent of their faculty members at this level, virtually all of whom were full-time. Black institutions had a

higher percentage of their faculty employed full-time as assistant professors and instructors than white institutions. Although the figures vary over the years, black institutions with between 52 and 55 per cent of their faculty employed full-time at the assistant professor and instructor level had approximately seventeen percentage points more in this category than white institutions among whom the percentage varied from 35 to 38 per cent. At white institutions, however,a larger percentage of the faculty was made up of part-time persons at this level, 9.5 per cent compared with 1.5 per cent. When full and part-time were added together, black institutions had about six and one-half percentage points more at these lower ranks than white institutions.

Black institutions also had a larger percentage of their faculty employed full-time at the professor and associate professor level than white institutions. This percentage in black institutions held pretty constant over these years of data at approximately 41 per cent. The variance at white institutions had been between 37 and 41 per cent although it had been constant the last four years at about 37 per cent. However, white institutions had more part-time people in the upper ranks than black institutions – 6.8 per cent compared with 1.2 per cent. Adding full and part-time together, white institutions had about 44 per cent in the professor and associate professor ranks, while black institutions had about 42 per cent.

SUMMARY

The data available for analysis in this study revealed some differences between these matched pairs of black institutions and white institutions – faculty salaries and enrollment patterns as examples. Faculty salaries however, while still markedly different between the two groups were much less dissimilar than they were only five years ago. Enrollment patterns, while different, may have finally proved to be quite similar, the major difference being a time lag in the black experience of the same phenomenon.

Black institutions and white institutions in this study were also very similar in many ways. For instance, they spent the same amount per student for instruction and department research and also for the operation and maintenance of the physical plant. Their average net current fund surplus or deficit per student was very close, and even their average income per student from endowment was not as far apart as might have been expected.

There were also some differences that did not erase easily. For example, black institutions derived much higher income per student from unrestricted gifts and grants as well as from restricted gifts and grants – and even from their supporting denomination. There were also such differences as higher indebtedness on the physical plant as a percentage of plant value among black institutions and the higher percentage of current fund indebtedness to private notes payable in the same group. What these similarities and differences may have added up to was that, as a group, black institutions and their students did not fare badly when compared with white institutions with which they are similar. However, two or three modifying comments were quickly added. First, this was a relative observation and on an absolute scale of need, both groups were struggling. Second, even on a relative scale, the average black institution may have been less well off than the average white

institution if judged in terms of the magnitude of the educational task with which it was confronted. Third and most important, each group was composed of individual institutions.

Enormous differences within each group that tended to be masked in comparisons between the groups were, however, clearly spelled out in terms of actual priority. The reader has but to return to the bar graph showing the net current fund surplus or deficit for each institution in the study in 1968-69 to recall how an average is composed of a wide range of very different patterns in individual institutions.

Any judgment about the degree of financial need should be made in the context of these modifying comments. Probably all of these institutions should have had more support in order to have done well in the tasks they had assumed on behalf of society.

TABLES

TABLE 1

AVERAGE EDUCATIONAL AND GENERAL INCOME

	Fiscal Year	Black Institutions	White Institutions	Baccalaureate Institutions
	1967-68	$1,819,000	$1,543,000	$1,655,000
Percentage of Change		18.6	10.8	11.2
	1968-69	2,157,000	1,709,000	1,840,000
Percentage of Change		10.2	7.2	7.5
	1969-70	2,378,000	1,832,000	1,979,000
Percentage of Change		11.5	8.8	7.8
	1970-71	2,651,000	1,994,000	2,126,000

TABLE 2

PERCENTAGE OF EDUCATIONAL AND GENERAL REVENUE DERIVED FROM TUITION AND FEE INCOME

Fiscal Year	Black Institutions	White Institutions	Baccalaureate Institutions
1967-68	51.7	67.7	71.9
1968-69	48.7	68.3	71.9
1969-70	49.6	68.2	72.6
1970-71	51.1	70.0	73.7

TABLE 3

TUITION AND FEE INCOME AS A PERCENTAGE OF EDUCATIONAL AND GENERAL INCOME FOR 1968-69

Percentages	Black Institutions	White Institutions
Average	48.7	68.3
Median	51.8	69.9
Smallest	31.6	47.9
Largest	67.7	81.6
Range	36.1	33.7

TABLE 4

PERCENTAGE OF EDUCATIONAL AND GENERAL INCOME DERIVED FROM ENDOWMENT FUNDS

	1967-68	1968-69	Projected 1969-70	Projected 1970-71
Black	7.0	6.1	5.3	5.2
White	8.0	8.2	7.6	7.7
Baccalaureate	5.7	5.8	5.7	5.5

TABLE 5

ENDOWMENT FUND INCOME AS A PERCENTAGE OF EDUCATIONAL AND GENERAL INCOME FOR 1968-69

Percentages	Black Institutions	White Institutions
Average	6.1	8.2
Median	2.2	8.5
Smallest	0.9	2.5 *
Largest	20.0	29.0
Range	19.1	26.5

* One white institution reported no endowment income.

TABLE 6

THE PERCENTAGE OF EDUCATIONAL AND GENERAL INCOME DERIVED FROM UNRESTRICTED GIFTS AND GRANTS

	1967-68	1968-69	Projected 1969-70	Projected 1970-71
Black	15.0	15.7	16.6	16.4
White	11.8	12.6	12.7	14.0
Baccalaureate	10.0	9.8	10.1	10.1

TABLE 7

UNRESTRICTED GIFTS AND GRANTS INCOME AS A PERCENTAGE OF EDUCATIONAL AND GENERAL INCOME FOR 1968-69

Percentages	Black Institutions	White Institutions
Average	15.1	12.6
Median	18.8	11.0
Smallest	4.7	5.5
Largest	34.1	33.7
Range	29.4	28.2

TABLE 8

PERCENTAGE OF EDUCATIONAL AND GENERAL INCOME DERIVED FROM RESTRICTED GIFTS AND GRANTS

	1967-68	1968-69	Projected 1969-70	Projected 1970-71
Black	14.2	18.1	18.0	21.8
White	6.2	4.7	4.8	5.2
Baccalaureate	3.2	3.6	3.2	2.9

TABLE 9

RESTRICTED GIFTS AND GRANTS INCOME AS A PERCENTAGE OF EDUCATIONAL AND GENERAL INCOME FOR 1968-69

Percentages	Black Institutions	White Institutions
Average	18.1	4.7
Median	22.2	2.3
Smallest	2.2	0.4 *
Largest	38.6	33.0
Range	36.4	32.6

*Three institutions reported no income from this source.

TABLE 10

THE PERCENTAGE OF EDUCATIONAL AND GENERAL INCOME DERIVED FROM "ALL OTHER SOURCES"

	1967-68	1968-69	Projected 1969-70	Projected 1970-71
Black	4.1	6.4	2.4	2.3
White	3.7	3.4	4.8	3.4
Baccalaureate	4.6	4.7	4.3	4.1

TABLE 11

"ALL OTHER SOURCES" INCOME AS A PERCENTAGE OF EDUCATIONAL AND GENERAL INCOME FOR 1968-69

Percentages	Black Institutions	White Institutions
Average	6.4	3.4
Median	3.2	2.9
Smallest	1.2 *	1.3
Largest	21.8 **	5.6
Range	20.6	4.3

* Two institutions reported no income from this source.

** One institution appeared to keep its educational and general income account idiosyncratically.

TABLE 12

PERCENTAGE OF EDUCATIONAL AND GENERAL EXPENDITURE FOR INSTRUCTION AND DEPARTMENTAL RESEARCH

	1967-68	1968-69	Projected 1969-70	Projected 1970-71
Black	37.0	41.3	43.0	44.4
White	48.0	47.2	47.7	47.4
Baccalaureate	46.5	46.3	46.8	46.6

TABLE 13

INSTRUCTION AND DEPARTMENTAL RESEARCH AS A PERCENTAGE OF EDUCATIONAL AND GENERAL EXPENDITURE 1968-69

Percentages	Black Institutions	White Institutions
Average	41.3	47.2
Median	40.6	49.1
Smallest	30.8	34.7
Largest	61.7	55.1
Range	30.9	20.4

TABLE 14

LIBRARIES AS A PERCENTAGE OF TOTAL EDUCATIONAL AND GENERAL EXPENDITURES

	1967-68	1968-69	Projected 1969-70	Projected 1970-71
Black	4.5	4.5	4.3	4.6
White	4.7	5.6	4.9	5.5

TABLE 15

LIBRARIES AS A PERCENTAGE OF EDUCATIONAL AND GENERAL EXPENDITURES FOR 1968-69

Percentages	Black Institutions	White Institutions
Average	4.5	5.6
Median	5.1	6.1
Smallest	2.6	3.4
Largest	7.2	8.0
Range	4.6	4.6

TABLE 16

THE PERCENTAGE OF EDUCATIONAL AND GENERAL EXPENDITURE FOR OPERATION AND MAINTENANCE OF PHYSICAL PLANT

	1967-68	1968-69	Projected 1969-70	Projected 1970-71
Black	11.3	11.3	11.1	10.7
White	13.3	12.9	13.3	12.0
Baccalaureate	12.6	12.6	12.9	12.8

TABLE 17

OPERATION AND MAINTENANCE OF PHYSICAL PLANT AS A PERCENTAGE OF EDUCATIONAL AND GENERAL EXPENDITURES FOR 1968-69

Percentages	Black Institutions	White Institutions
Average	11.3	12.9
Median	12.2	12.7
Smallest	7.1	1.0
Largest	16.6	20.7
Range	9.5	19.7

TABLE 18

PERCENTAGE OF EDUCATIONAL AND GENERAL EXPENDITURE FOR GENERAL ADMINISTRATION

	1967-68	1968-69	Projected 1969-70	Projected 1970-71
Black	28.5	28.1	29.0	28.8
White	26.0	26.3	27.1	29.2
Baccalaureate	29.3	29.9	30.0	30.3

TABLE 19

GENERAL ADMINISTRATION AS A PERCENTAGE OF EDUCATIONAL AND GENERAL EXPENDITURES FOR 1968-69

Percentages	Black Institutions	White Institutions
Average	28.1	26.3
Median	31.8	24.7
Smallest	18.0	18.6
Largest	39.2	42.8
Range	21.2	24.2

TABLE 20

PERCENTAGE OF EDUCATIONAL AND GENERAL EXPENDITURE FOR "ALL OTHER" ITEMS

	1967-68	1968-69	Projected 1969-70	Projected 1970-71
Black	10.8	11.4	9.7	9.0
White	6.2	7.5	4.7	4.2
Baccalaureate	5.6	5.2	4.5	4.4

TABLE 21

"ALL OTHER" ITEMS AS A PERCENTAGE OF EDUCATIONAL AND GENERAL EXPENDITURE FOR 1968-69

Percentages	Black Institutions	White Institutions
Average	11.4	7.5
Median	1.4 •	4.4 •
Smallest	0.0	0.0
Largest	37.1	27.9
Range	37.1	27.9

• Among institutions reporting any dollar figure, the median for black institutions would be 9.1 and for white institutions 6.6.

TABLE 22

TUITION AND FEE INCOME PER FULL-TIME EQUIVALENT STUDENT

	1967-68	1968-69	Projected 1969-70	Projected 1970-71
Black	$ 870	$ 932	$1122	$1170
White	1038	1123	1209	1298

TABLE 23

TUITION AND FEE INCOME FULL-TIME EQUIVALENT STUDENT BASIS FOR 1968-69

	Black Institutions	White Institutions
Average	$ 932	$1123
Median	929	1049
Smallest	687	643
Largest	1164	1747
Range	477	1104

TABLE 24

AVERAGE ENDOWMENT INCOME PER FULL-TIME EQUIVALENT STUDENT

	1967-68	1968-69	Projected 1969-70	Projected 1970-71
Black	$ 118	$ 117	$ 121	$ 119
White	123	132	135	142

TABLE 25

ENDOWMENT INCOME: FULL-TIME EQUIVALENT STUDENT BASIS FOR 1968-69

	Black Institutions	White Institutions
Average	$ 117	$ 132
Median	40	121
Smallest	14	0
Largest	509	595
Range	504	595

TABLE 26

GIFTS AND GRANTS PER FULL-TIME EQUIVALENT STUDENT

	1967-68	1968-69	Projected 1969-70	Projected 1970-71
UNRESTRICTED				
Black	$ 253	$ 287	$ 375	$ 326
White	181	207	225	259
RESTRICTED				
Black	238	347	408	537
White	96	84	85	96

TABLE 27

GIFTS AND GRANTS: FULL-TIME STUDENT BASIS FOR 1968-69

	UNRESTRICTED		RESTRICTED	
	Black Institutions	White Institutions	Black Institutions	White Institutions
Average	$ 287	$ 207	$ 347	$ 84
Median	311	188	204	33
Smallest	117	0	0	0
Largest	691	647	936	425
Range	574	647	936	425

TABLE 28

"ALL OTHER" SOURCES INCOME PER FULL-TIME EQUIVALENT STUDENT

	1967-68	1968-69	Projected 1969-70	Projected 1970-71
Black	$ 75	$ 78	$ 54	$ 51
White	57	58	56	64

TABLE 29

"ALL OTHER" SOURCES INCOME: FULL-TIME EQUIVALENT STUDENT BASIS FOR 1968-69

	Black Institutions	White Institutions
Average	$ 78	$ 58
Median	52	47
Smallest	0	17
Largest	415	135
Range	415	118

TABLE 30

TOTAL EDUCATIONAL AND GENERAL INCOME PER FULL-TIME EQUIVALENT STUDENT

	1967-68	1968-69	Projected 1969-70	Projected 1970-71
Black	$1684	$1819	$2260	$2289
White	1532	1645	1772	1772

TABLE 31

TOTAL EDUCATIONAL AND GENERAL INCOME: FULL-TIME EQUIVALENT STUDENT BASIS FOR 1968-69

	Black Institutions	White Institutions
Average	$1819	$1645
Median	1718	1748
Smallest	1383	1135
Largest	2508	3003
Range	1125	1868

TABLE 32

INSTRUCTIONAL AND DEPARTMENTAL RESEARCH EXPENDITURES PER FULL-TIME EQUIVALENT STUDENT

	1967-68	1968-69	Projected 1969-70	Projected 1970-71
Black	$605	$784	$973	$974
White	726	789	857	872

TABLE 33

INSTRUCTION AND DEPARTMENTAL RESEARCH EXPENDITURES: FULL-TIME EQUIVALENT STUDENT BASIS FOR 1968-69

	Black Institutions	White Institutions
Average	$ 784	$ 789
Median	725	789
Smallest	527	453
Largest	1072	1411
Range	544	958

TABLE 34

OPERATION AND MAINTENANCE OF PHYSICAL PLANT EXPENDITURES: FULL-TIME EQUIVALENT STUDENT BASIS

	Fiscal Years 1967 - 1971 Inclusive	
Fiscal Year	Black Institutions	White Institutions
1967-68	$169	$210
1968-69	215	215
Projected 1969-70	250	239
Projected 1970-71	235	239
	Fiscal Year 1968-69 Only	
Average	$215	$215
Median	202	238
Smallest	98	105
Largest	375	349
Range	277	244

TABLE 35

GENERAL ADMINISTRATION EXPENDITURES PER FULL-TIME EQUIVALENT STUDENT

	1967-68	1968-69	Projected 1969-70	Projected 1970-71
Black	$466	$533	$656	$631
White	393	441	488	538

TABLE 36

GENERAL INSTITUTIONAL EXPENDITURES: FULL-TIME EQUIVALENT STUDENT BASIS 1968-69

	Black Institutions	White Institutions
Average	$ 533	$ 441
Median	567	450
Smallest	347	223
Largest	1025	895
Range	[illegible]	672

TABLE 37

TOTAL EDUCATIONAL AND GENERAL EXPENDITURES PER FULL-TIME EQUIVALENT STUDENT

	Fiscal Years 1967 - 1971 Inclusive	
Fiscal Year	Black Institutions	White Institutions
1967-68	$1637	$1513
1968-69	1913	1673
Projected 1969-70	2264	1799
Projected 1970-71	2195	1841
	Fiscal Year 1968-69 Only	
Average	$1913	$1673
Median	1703	1801
Smallest	1332	1199
Largest	3185	3882
Range	1853	1683

TABLE 38

STUDENT AID INCOME PER FULL-TIME EQUIVALENT STUDENT

	1967-68	1968-69	Projected 1969-70	Projected 1970-71
Black	$244	$300	$426	$438
White	56	57	75	86

TABLE 39

STUDENT AID INCOME PER FULL-TIME EQUIVALENT STUDENT FOR 1968-69

	Black Institutions	White Institutions
Average	$ 300	$ 57
Median	255	59
Smallest	0	21
Largest	821	392
Range	821	371

TABLE 40

STUDENT AID EXPENDITURES PER FULL-TIME EQUIVALENT STUDENT

	1967-68	1968-69	Projected 1969-70	Projected 1970-71
Black	$311	$388	$536	$543
White	129	133	145	168

TABLE 41

STUDENT AID EXPENDITURES: FULL-TIME EQUIVALENT STUDENT BASIS FOR 1968-69

	Black Institutions	White Institutions
Average	$ 388	$ 133
Median	268	138
Smallest	99	57
Largest	1094	392
Range	995	335

TABLE 42

AUXILIARY ENTERPRISES INCOME PER FULL-TIME EQUIVALENT STUDENT

	1967-68	1968-69	Projected 1969-70	Projected 1970-71
Black	$570	$611	$620	$666
White	649	660	682	717

TABLE 43

AUXILIARY ENTERPRISES EXPENDITURE PER FULL-TIME EQUIVALENT STUDENT

	1967-68	1968-69	Projected 1969-70	Projected 1970-71
Black	$503	$545	$636	$630
White	536	587	634	605

TABLE 44

AUXILIARY ENTERPRISES INCOME: FULL-TIME EQUIVALENT STUDENT BASIS FOR 1968-69

	Black Institutions	White Institutions
Average	$ 611	$ 660
Median	630	710
Smallest	123	391
Largest	772	1099
Range	649	708

TABLE 45

AUXILIARY ENTERPRISES EXPENDITURES PER FULL-TIME EQUIVALENT STUDENT FOR 1968-69

	Black Institutions	White Institutions
Average	$ 545	$ 587
Median	537	569
Smallest	216	343
Largest	708	993
Range	492	650

TABLE 46

PHYSICAL PLANT INDEBTEDNESS AS A PERCENTAGE OF PHYSICAL PLANT BOOK VALUE

Percentages	Black Institutions	White Institutions
Average	42.3	29.3
Median	38.2	27.3
Smallest	15.5	12.0
Largest	69.4	51.6
Range	53.9	39.6

TABLE 47

CHURCH SUPPORT 1968-69

	Black Institutions	White Institutions
Average	$145,000	$108,000
Median	134,000	68,000
Smallest	0	0
Largest	450,000	522,000
Range	450,000	522,000

TABLE 48

CHURCH SUPPORT AS A PERCENTAGE OF TOTAL EDUCATIONAL AND GENERAL INCOME FOR 1968-69

Percentages	Black Institutions	White Institutions
Average	6.7	6.3
Median	8.9	5.9
Smallest	0.0	0.0
Largest	21.4	43.0
Range	21.4	43.0